

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 C — 6 - M A

2. STATE:

New Jersey

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

March 16, 2000

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 C.F.R. 447.300

7. FEDERAL BUDGET IMPACT:

a. FFY 2000 \$7.7 million

b. FFY 2001 \$14.2 million

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Addendum to Attachment 3.1-A, page 13(d).4
Attachment 4.19B, page 24
" " , page 1 (table of contents)
Attachment 4.19-B Page 24.1

** SEE REMARKS

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

New

New

Same

NEW

10. SUBJECT OF AMENDMENT:

Mental Health Rehabilitation Services for Children

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL☒ OTHER, AS SPECIFIED:Exempt pursuant to
7.4 of the Plan

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Michele K. Guhl

14. TITLE:

Commissioner

15. DATE SUBMITTED:

3/29/00

16. RETURN TO:

Division of Medical Assistance
and Health Services
P.O. Box 712
Trenton, New Jersey 08625-0712

17. DATE RECEIVED:

18. EFFECTIVE DATE:

19. TYPED NAME:

20. SIGNATURE:

This plan was reviewed in State letter dated 10/19/00

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
Limitations on Amount, Duration and Scope of Services
Provided to the Categorically Needy

3(d).4 **Rehabilitative Services:**

Mental Health Rehabilitation Services

Limited to services provided under the treatment component of EPSDT to Medicaid/NJ KidCare—Plan A children who have been determined in need of this service in a setting that is appropriate to the child's age and mental, behavioral or emotional condition.

Limited to services contained in the child's treatment plan and that are provided in residential child care facilities, children's group homes and community psychiatric residences for youth.

Mental health rehabilitation services include any medical or remedial services, provided through these programs, that are necessary for maximum reduction of the mental, behavioral or emotional problem and restoration of the beneficiary's best possible functional level. Services include, but are not limited to, psychiatric and psychological services, psychotherapy, counseling, behavioral modification and management, medication administration and management, treatment for drug and alcohol dependency or abuse, development of activities of daily living, and related nursing and mental health services.

00-06-MA (NJ)

New

TN 00-06 Approval Date JAN 11 2001
Supersedes TN **New** Effective Date MAR 16 2000

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
Reimbursement for Mental Health Rehabilitation Services
Residential Child Care Facilities, Children's Group Homes, Community
Psychiatric Residences for Youth

Mental Health rehabilitation services provided in residential child care facilities (as defined in N.J.A.C. 10:127) and children's group homes (as defined in N.J.A.C. 10:128), both of which are licensed by the Division of Youth and Family Services), or community psychiatric residences for youth (as defined in N.J.A.C. 10:37B), that are licensed by the Division of Mental Health Services will be reimbursed for mental health rehabilitation services as follows:

Reimbursement for mental health rehabilitation services for Medicaid eligible children under the age of 21 and NJ KidCare-Plan A children provided in psychiatric community residences for youth, residential care facilities, or children's group homes shall be based on reasonable, negotiated, contracted costs as defined in both the Department of Human Services' Contract Reimbursement Manual and the Contract Policy and Information Manual. These manuals describe the rate setting process, which is based on a retrospective reimbursement system.

Reimbursement for room and board will be determined from the per diem rates by using the median based on the contracted providers in each provider grouping in a selected regional area of the state. The median of contracted room and board expenditures in relation to total operating expenditures from the sample shall be applied to reduce each provider's rates and separately reimburse for said costs in a non Title 19 matchable rate category. The median percentage factor may vary depending upon the provider group they belong to: Non-JCAHO accredited residential child care facilities, children's group homes or community psychiatric residences for youth. The aforementioned methodology has been deemed suitable by the Administration for Children and Families (ACF) to extract from the Title IV-E Foster Care program social service costs.

00-06-MA (NJ)

New



TN 00-06 Approval Date JAN 11 2001

Supersedes TN **New** Effective Date MAR 16 2000



STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
Reimbursement for Mental Health Rehabilitation Services
Residential Child Care Facilities, Children's Group Homes, Community
Psychiatric Residences for Youth

Reimbursement for clothing that is required as part of a treatment regimen and included in the Plan of Care will be included in the Title 19 reasonable costs.

Reimbursement for transportation for medically necessary purposes will also be included in the per diem rates. Cost of non-patient related care travel, such as commuting, shall be excluded from the per diem rates. Patient related transportation costs incurred will be included in the allowable Title 19 costs of the provider if reasonable and necessary. This would include amounts paid to or on behalf of an employee for necessary patient care transportation and reasonable costs of owned or leased vehicles used to transport a child for medically necessary patient care. Transportation costs related to meetings and conferences will be included in the Title 19 per diem rates when the primary purpose of such meetings and conferences is the dissemination of information for the advancement of patient care or efficient operation of the facility. This policy for transportation costs is in accordance with Medicare cost principles as defined in the Medicare Provider Reimbursement Manual, HIM Pub 15-1.

These rates shall not be adjusted in the provider's current contract year except for Department approved adjustments of the types of adjustments that would otherwise have been approved, such as cost of living adjustments, less the amount not allocable to Medicaid reimbursable services.

The rates established above will be revised at the end of the contract year. Upon submission and review of each provider's year-end reports, a determination of reasonable actual costs will be made by the respective agencies of the Department (the Division of Mental Health Services or the Division of Youth and Family Services) and final per-diem rates will be determined. The final rates will be applied retrospectively to the beginning of the contract period to adjust each provider to their actual costs. The Title 19 reimbursable cost of the provider's total costs will be using the same median percentage as calculated above.

In no case will the federal claim for these services exceed the federal upper payment limits as defined in 42 C.F.R. 447.325, which precludes the claiming for costs that exceed the prevailing charges in the locality for comparable services.

00-06-MA (NJ)

New

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
FOR NON-INSTITUTIONAL SERVICES

The reimbursement methodologies for the following services are contained in this attachment.

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00-6-MA (NJ)

Supersedes 98-21-MA

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